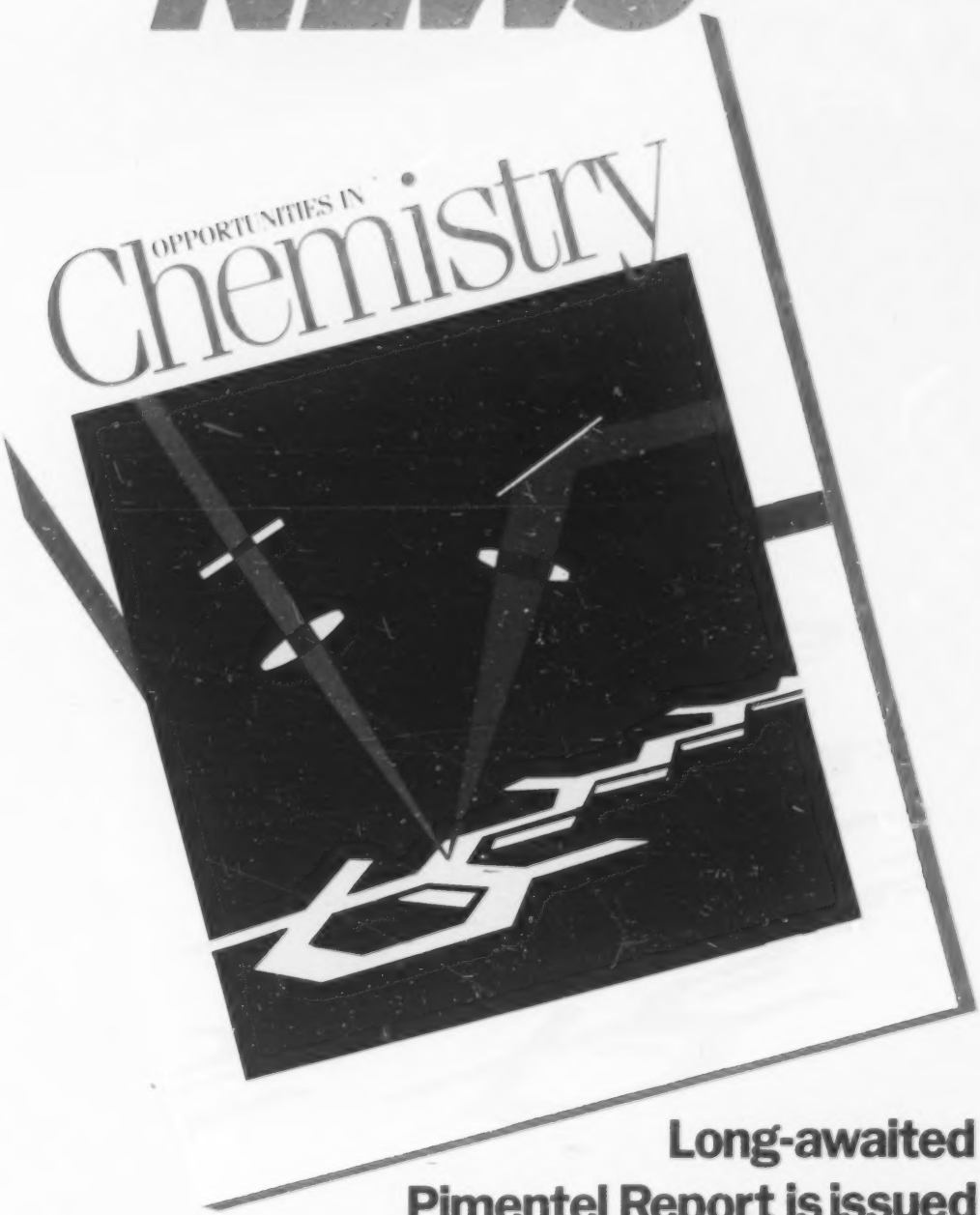
OCTOBER 14, 1985

CHEMICAL & ENGINEERING

NEWS



Long-awaited Pimentel Report is issued

Page 9

C511179C096 9 W AR6341SL 1
CONGRESSIONAL INFO SERV-SRI
4520 EAST WEST HWY SUITE 600
SRI ACQUISITIONS
BETHESDA MD 20814

CHEMICAL & ENGINEERING
NEWS

Volume 63, Number 41
CENEAR 63 (41) 1–68
ISSN 0009-2347

OCTOBER 14, 1985

News of the Week

■ **Congressional case study charges Office of Management & Budget of abusing power by interfering in EPA's proposed asbestos ban.** **Page 6**

■ **Classification of carcinogens to be made more uniform with criteria prepared by international industrial panel.** **Page 6**

■ **Research center on planetwide environmental problems gets a home on Venetian island.** **Page 7**

■ **Statistics on accidents related to toxic chemicals, compiled for EPA, to be used in preparation of acute hazards list.** **Page 7**

Business

Major U.S. chemical trade associations readying for new round of multilateral trade negotiations. **Page 26**

Government

Congress works on Superfund reauthorization and trade protection bills, appropriations for federal agencies. **Page 36**

Science

Bitter debate persists over possible cyanide presence in gas cloud at Carbide's Bhopal disaster. **Page 42**

Technology

Newly developed polymeric material proving effective as nonstick coating that reduces drag at solid-fluid interfaces. **Page 44**

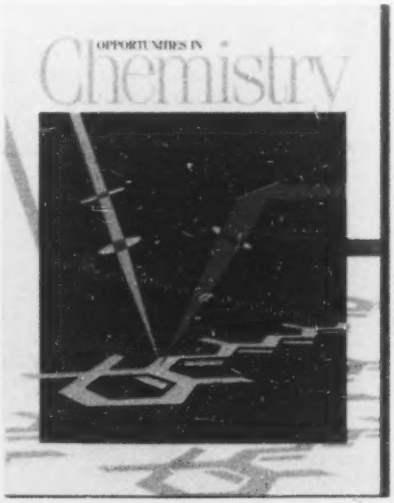
Awards

ACS awardees: Danishefsky, Dessy, Gaspar, Giddings, Grasselli, Hansch, Hazen, Heathcock, and Hercules. **Page 46**

Letters 4
Editor's Page 5

Concentrates
Business 24
Government 34
Science/Technology 41

The Departments
New Products 38
Newscripts 68



News Focus

Pimentel Report draws consensus from the chemical community on the status of chemistry in general and the areas in chemistry that are ripe for experimentation. **Page 9**

Chemical Industry Hones Policy For Upcoming Trade Negotiations

Focal point of emerging policy continues to be multilateral trade talks, particularly the possibility of further cuts in tariffs

Earl V. Anderson, C&EN New York

It now appears certain that U.S. trade officials will be cramming for a new round of multilateral trade negotiations scheduled to be held next year under the General Agreement on Tariffs & Trade (C&EN, Oct. 7, page 12).

It also appears certain that the close-knit cadre of trade experts that mold chemical industry trade policy will find their schedules busier than ever. In the major trade associations, such as the Chemical Manufacturers Association and the Synthetic Organic Chemical Manufacturers Association, members of the international trade committees are busy formulating a trade policy for their respective boards to approve.

Approved trade policy statements probably won't be long in coming. The industry's trade experts haven't been sitting on their hands waiting for GATT delegates to make their move in Geneva. Out of their preparatory work, one thing comes through loud and clear. The focal point of an emerging chemical industry trade policy is—and has been—multilateral trade negotiations, particularly the distinct possibility of further cuts in chemical tariffs.

That doesn't mean that the chemical industry has no other concerns about international trade. In various degrees and in various ways, U.S. chemical companies are concerned about many pieces of protectionist trade legislation now floating around Congress. But the industry's major trade spokesmen have been noticeably quiet about them.

One explanation is that industry liaison with Congress has been concentrated on what's considered to be much more important legislation, such as Superfund and tax reform. Industry personnel familiar with Congressional infighting are spread too thin to cover each of the many trade bills on Capitol Hill. Besides, says one industry expert, "there's a feeling that, in talking to Congress [on trade legislation], the chemical industry wouldn't be much of a factor" in influencing the outcome.

What the industry trade policy makers hope to influence, however, is the way U.S. trade negotiators approach the next round of multilateral trade talks. In all likelihood, the industry will endorse such talks even though there are many in the industry who feel that "we really don't need them, thank you."

The trick will be to come up with a policy that supports multilateral trade talks—but ones that will help rather than hurt U.S. chemical industry trade prospects. That's why possible tariff cuts loom so large in policy-making deliberations.

U.S. chemical industry stacks up in world trade this way

$ Millions	1984 U.S. chemical trade Exports	Imports	Trade balance
INDUSTRIALIZED NATIONS			
Western Europe	**$ 6,497**	**$ 6,392**	**$ 105**
EEC total	5,467	5,578	−111
Belgium-Luxembourg	1,307	237	1070
Netherlands	1,072	526	546
West Germany	1,058	1,576	−518
U.K.	906	1,294	−388
France	566	1,172	−606
Italy	382	425	−43
Denmark	19	130	−111
Switzerland	328	387	−59
Japan	**2,961**	**1,312**	**1649**
Canada	**2,752**	**3,131**	**−379**
Australia	**686**	**145**	**541**
China	**644**	**157**	**487**
New Zealand	**148**	**106**	**42**
Eastern Europe	**275**	**325**	**−50**
U.S.S.R.	208	208	0

$ Millions	1984 U.S. chemical trade Exports	Imports	Trade balance
DEVELOPING NATIONS			
Latin America	**$ 3,827**	**$ 1,208**	**$2619**
Mexico	1,250	607	643
Venezuela	540	32	508
Brazil	526	414	112
Argentina	245	81	164
Asia	**3,292**	**377**	**2915**
Taiwan	723	200	523
South Korea	643	79	564
India	420	26	394
Singapore	296	16	280
Indonesia	231	16	215
Philippines	195	16	179
Malaysia	161	10	151
Thailand	154	2	152
Africa	**510**	**196**	**314**
Middle East	**429**	**124**	**305**
Saudi Arabia	240	neg	240
WORLD TOTAL	**$22,336**	**$13,697**	**$8639**

neg = negligible. **Source:** Bureau of the Census

Because the chemical industry is not so homogeneous as other industries such as steel or telecommunications, it's no surprise that opinions about future tariff-cutting exercises vary within the industry. One veteran industry trade official explains that "it's not like the good old days, when the entire industry could rally around ASP [American selling price]."

Today, many of those same companies that once looked upon imports as a problem are importers themselves. They are now part of the problem, says one company trade expert.

Despite this new twist to the industry's attitude toward tariff cuts, there's still a hard core of opinion that says giving the Administration "blank check" tariff-cutting authority on chemicals would do more harm than good. As evidence, they point to the industry's trade fortunes in the years since the massive tariff-cutting exercises of the Kennedy round of trade negotiations in the 1960s and the Tokyo round, which ended in 1979.

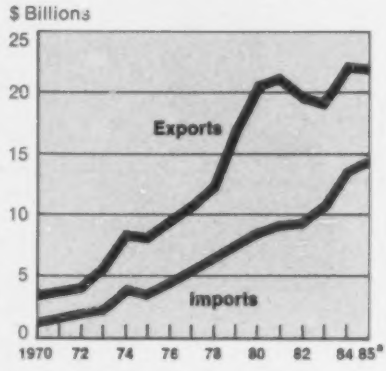
Exhibit A is the U.S. chemical industry's balance of trade. Trade has long been an important part of the industry's business, and it has chalked up an impressive record of successive trade surpluses. That surplus hit a high of $12.1 billion in 1980, but has been sliding steadily ever since. Last year, the chemical trade surplus dropped to $8.6 billion, and it could slip to about $7.4 billion this year. That's almost a 40% loss in five years.

The big question for many is: Will further chemical tariff cuts really help? In past GATT trade talks, U.S. chemical tariffs were cut, on average, about 50% during the Kennedy round, then about 33% during the Tokyo round. Other industrialized nations, but not developing nations, also cut their chemical tariff rates.

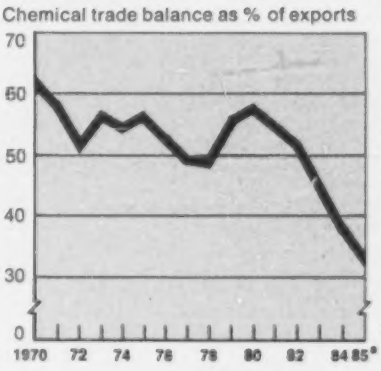
However, over the past 15 years, U.S. chemical exports have not grown so fast as imports. In particular, between 1980 and 1985, U.S. chemical exports will have increased only 1% or so per year. Imports, on the other hand, have had a healthy 11%-per-year average growth rate.

Equally disturbing is that U.S. exports to industrialized nations have not grown so fast as those to developing countries. Yet it was the industrialized nations that cut chemical tariffs in previous GATT rounds; the developing world did not. For instance, between 1975 and 1984, U.S. chemical exports to developed countries advanced at a nearly 12%-per-year clip. Exports to developing countries grew at a 14% annual rate, even though those exports actually declined between 1980 and 1984 because of debt problems in developing countries.

U.S. chemical imports grow faster than exports . . .



. . . and surplus-to-export ratio shrinks



a C&EN estimate. **Source:** Bureau of the Census

IS DMSO A BETTER POLAR APROTIC SOLUTION? FIND OUT FOR YOURSELF.

DMSO can improve yields by enhancing the reactivity of organic and mineral compounds in many pharmaceutical, polymer and pesticide applications. To find out whether yours is one of them, fill in the coupon to request a free sample.*

I'd like to test DMSO.
Please send me a free sample.*

Name _____ Title _____
Company _____
Address _____
City _____ State _____
Zip _____
Phone ( ) _____

M&T CHEMICALS INC.
Box 1104/Rahway, NJ 07065
U.S.A./Tel. (201) 499-2323
Telex 642-853

*Subject to screening for suitable applications

CEN

CIRCLE 21 ON READER SERVICE CARD

PRODUCT PROSPECTUS

PARTICLE SIZE ANALYSIS SHOULD BE SIMPLE.

It is with the Granulometer 715. There's nothing like the Marco Scientific Granulometer 715 for simplified, automated particle size analysis.

Wide Range. From 0.1 micron to 192 microns.

Repeatable results. 1% or better.

Easy to use. Computer-assisted operation. Just put in the sample and read the results a few seconds later.

Complete system available. Includes data management and graphics display.

Solvent-resistant sampling system. A new option that broadens the instrument's capabilities.

Tough. Designed for plant use; easy to move around.

So don't put up with older, bulky, narrow range analyzers. Contact us for the brochure shown here. Marco Scientific, 1055 Sunnyvale-Saratoga Road #8, Sunnyvale, CA 94087. (408) 739-9418.

Circle 22 for literature.
Circle 23 for a demonstration.

Simplify your

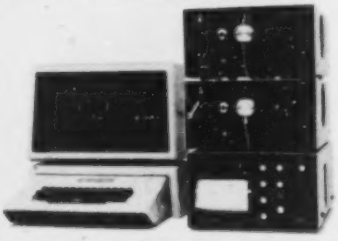
Water Analysis

Send for our Free Catalog

- No skill or training is needed!
- Self-filling disposable ampoules are used to make your water testing fast, simple and accurate at all levels of concentration.
- Our compact kits are available for testing all types of water samples. Shelf-life is virtually unlimited.

CHEMetrics, Inc.
Rt. 28, Calverton, VA 22016
(703) 788-9026 Telex 292861

CIRCLE 8 ON READER SERVICE CARD



UPGRADEABLE HPLC

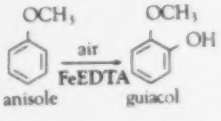
It's easy to expand a simple ISCO isocratic chromatograph into a microcomputer-controlled gradient system with complete data management and autosampling. And you can buy any ISCO system for less than other chromatographs of much less capability. Phone toll free [800]228-4250 or send for literature now. ISCO, P.O. Box 5347, Lincoln, NE 68505.

ISCO

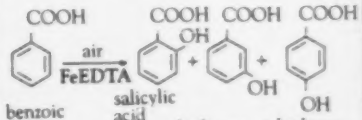
Circle 18 for literature.
Circle 19 to have a technical representative telephone.

If you thought Chelating Agents were just for softening water, Hampshire has news for you.

Hampshire® chelating agents are excellent hydroxylation catalysts. They make air oxidize compounds to produce new compounds. In fact, there's probably a job that Grace chelates can do better and more economically for you. Look at these reactions.



anisole guiacol



benzoic acid salicylic acid m-hydroxy-benzoic acid p-hydroxy-benzoic acid

Find out about the chemical possibilities of chelating agents. Send for our bulletin, "Chelating Agents in Oxidation-Reduction Reactions."

GRACE
Organic Chemicals Division, W. R. Grace & Co.
Lexington, Massachusetts 02173
(617) 861-6600

CIRCLE 15 ON READER SERVICE CARD

Business

Despite such concerns, the chemical industry is not likely to come out foursquare against chemical tariff cuts in the upcoming trade negotiations. "We won't take a Neanderthal position and say 'no cuts,'" says SOCMA assistant director Stephen J. Kasprzak. Instead, the industry probably will support chemical tariff cuts, provided some major problems are taken care of first.

Some in the chemical industry feel strongly that GATT terms should be fixed first. International trading rules, dispute settlement procedures, and safeguards under GATT need repair, they say. As a result, many nations no longer believe that GATT can solve world trade problems, and they have gone outside GATT to negotiate solutions.

Another major headache is foreign government intervention in the free flow of chemical trade. Some governments restrict imports, prohibit or limit foreign investment, or add local purchase and export performance requirements when foreign investment is allowed. Others control access to raw materials for the benefit of domestic producers, target export markets, and have other policies that "impair the effectiveness of an otherwise competitive U.S. chemical industry."

Chemical industry support of tariff cuts, then, could be conditioned upon solving these unfair trade practices and governmental nonmarket behavior. But there are those who feel that terms such as "fixing the GATT" are cute phrases with little substance. It's naive, says one, to think that the U.S. will condition its participation in upcoming trade negotiations on fixing the GATT first.

Despite these different attitudes, trade policy statements will be essentially similar when they emerge from their various committees. "There's no doubt that we will reach a consensus on the major issues," says Allan J. Spilner, manager of trade issues for Rohm & Haas, and chairman of CMA's international trade committee. To be effective, however, he thinks that the industry will have to limit the number of points upon which it takes a position. "The key," says Spilner, "is to help the industry remain competitive." □